



Air Force Space Command and National Defense Industrial Association Forum on Acquisition

Industry Process Overview Gayle White

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Objectives

- Review nominal industry process for Government contract bids
- Show how it maps to Government acquisition processes
- Identify areas where Government activities impact proposal cost, proposal quality or the number of bidders
- Explain how contractor proposal development costs affect Government budgets





Contractor Processes

Draft RFP		RFP		Award	
Exploratory Preparation	Qualification	Pre- Proposal	Proposal	Post- Proposal	Transition / Pre-Start Up
Initial Opportunit y Filtering	Assessing P (Real) P (Win) Contract value	Collect critical data, assembl e team, prepare solution	Prepare proposal	Prepare for transition, respond to ENs	Phase-In to contract start





Phase 1 Identification / Preparation

<u>Activities</u>	<u>Outcomes</u>
 Use of opportunity ID tools (Input, etc.) Visits to Government Offices Symposia / Industry Days Inter-Contractor discussions Investment in IRAD 	 Target list of Contracts (Pipeline) Initial B&P Budget Identification
Personnel Commitment • Low	Potential for Government Impact • Bid cost - low • Bid quality - low • Number of Bidders - Medium





Sample Opportunity ID Tool

Acronym	Title	Dept	Agency	RFP #	Program Value	RFP Date	Status
GPS MUE	GLOBAL POSITIONING SYSTEM MODERNIZED USER EQUIPMENT	AIR FORCE	AIR FORCE SPACE COMMAND	FA880705R0 005	0	11/16/ 2005	Post- RFP
CMAFS CE	CHEYENNE MOUNTAIN AIR FORCE STATION CIVIL ENGINEERING FACILITIES SUPPORT SERVICES-BASE MAINTENANCE	AIR FORCE	AIR FORCE SPACE COMMAND	FA251704R0 013	0	11/23/ 2005	Post- RFP
GPSOC	GLOBAL POSITIONING SYSTEM OPERATIONS CENTER	AIR FORCE	AIR FORCE SPACE COMMAND	FA255005R2 000	32000	11/29/ 2005	Pre- RFP
	DELIBERATE AND CRISIS ACTION PLANNING AND EXECUTION SEGMENTS II						





Phase 2

	_	RFI	Draft RFP /	
Qualification of Opportunity			SOW	
			<u> </u>	

Activities • Assess probability it is Real (PReal) • Assess probability of Win (PWin) • Assess probability Real Contract Value • Develop value proposition • Customer visits to identify hot buttons • Teaming discussions • B&P Budgeting	Outcomes Initial Bid decision Selection of Capture Team B&P Budget Review	
• Low - Business Development Lead	 Potential for Government Impact Bid cost - low Bid quality - moderate Number of bidders - high 	





Bid Decision Factors

- Basic Questions
 - Is it real?
 - Can we win?
 - Is it worth winning?
- Detailed Questions:
 - Do we understand requirements?
 - Does the customer want change?
 - Do we have a solution?
 - Do we know the customer?
 - Do we have a positive relationship?
 - Is there good revenue?
 - Is it profitable?
 - How high is the risk?
 - Is there strategic value?



Draft RFP / SOW Phase 3



*Pre-Proposal Preparation

<u>Activities</u>	<u>Outcomes</u>
 Collection critical data Customer Visits Bidders Library FOIA Contracts Assemble Proposal Team Prepare detailed solution (Offer) Finalize / Approve B&P Budget 	 Approved B&P Budget Data Library Proposal Facility Assigned Team Members
Personnel Commitment • Moderate at start • High at end	Potential for Government Impact • Bid cost - moderate / high • Bid quality - moderate / high • Number of bidders - moderate





Phase 4

Proposal



Activities

- Prepare:
 - Executive Summary
 - Management Plan
 - Technical Solution
 - Staffing Plan / Basis of Estimate
 - Pricing
 - Past Performance
- Bid Reviews
 - Pink Initial Proposal Approach
 - Red Final Proposal Approach
 - Black hat Competition Assessment
 - Gold Final Proposal Review
- Marketing

Outcomes

Proposal

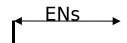
Personnel Commitment

High

Potential for Government Impact

- Bid cost high
- Bid quality high





Phase 5 Post-Proposal





Activities

- Respond to ENS
- Initiate Staffing Actions
- Prepare Final Proposal Revision
- Initiate Vendor Contracts
 - Facilities
 - Equipment

Outcomes

- EN Responses
- Final Proposal Revision
 - Final Solution
 - Final Price

Personnel Commitment

- Moderate
- High during EN Processing / FPR

Potential for Government Impact

- Bid cost moderate
- Bid quality moderate
- Competition low



Phase 6



Transition / Phase-In / Pre-Start-Up

<u>Activities</u>	<u>Outcomes</u>
 Finalize Staffing Actions Associate Contractor Agreements Establish Contract Facility Execute Contract Execute Subcontracts Execute Vendor Contracts 	Successful contract start-up
• High	 Potential for Government Impact Bid cost - low to moderate Bid quality - low Competition - N/A





Where Do Bid Costs Go?

	Fee (Profit)	
B&P/IR&D →	G&A	
	Facilities (If off Base)	Contractor Rates
Indirect Expenses →	Labor Overhead (Benefits and Operation Expenses)	
	Employee Salaries (Direct Labor)	





Summary

- Industry and the Government are in the proposal process together
- Communication is critical in every phase of proposal development – both ways